

820

[Report of Senate Committee on Interstate Commerce on S. 3266, with Amendments (Part 1), and Minority Report (Part 2).]

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SENATE

{ REPORT
No. 1065
(Part 1)

BOARD TO SETTLE DISPUTES BETWEEN CARRIERS AND THEIR EMPLOYEES

MAY 10 (calendar day, MAY 21), 1934.—Ordered to be printed

Mr. DILL, from the Committee on Interstate Commerce, submitted
the following

REPORT.

[To accompany S. 3266]

Your committee, to whom was referred Senate bill 3266, has held hearings on the same, made certain amendments thereto and hereby report the bill favorably to the Senate with the recommendation that the bill as amended do pass.

This bill proposes to amend the Railway Labor Act by rewriting it and making several far-reaching and important changes in the operation of the adjustment boards to settle grievances and the work of the mediation board.

Congress passed the Railway Labor Act with the joint approval of both the representatives of the railroads and the railway labor organization. They believed it would enable them to settle their differences without the element of compulsion.

They have tried this act for nearly 8 years. It has served a most useful purpose and brought about many good results, but both the representatives of the railroads and of the employees agree that it needs improvement. This bill is intended to provide the needed amendments.

The most important change in the bill is the creation of what is termed the "National Adjustment Board." This Board will have four divisions. Each division will have a neutral member, so that these divisions will be able to make decisions. The present regional boards have no neutral members and for that reason are often unable to arrive at decisions.

One of the principal weaknesses of the present law in practice has been that regional boards have not been set up in some sections of the country for settlement of the disputes in some of the crafts. Both representatives of the carriers and of the employees agree that the setting up of boards for the settlement of disputes should be made

2 BOARD TO SETTLE DISPUTES BETWEEN CARRIERS AND EMPLOYEES

compulsory, when necessary. Representatives of the carriers proposed that the setting up of regional boards be made compulsory; representatives of most of the employees insisted that the setting up of the National Board of Adjustment with four divisions be made compulsory.

As introduced in the Senate, Senate bill 3266 provided only for the creation of a National Board. Your committee has amended the bill authorizing the divisions of the National Board of Adjustment to provide for regional boards whenever, in the discretion of any division, it is desirable to create a regional board. The regional boards will be created for temporary periods, but their members are to be chosen in the same manner as the members of the National Board of Adjustment and their decisions are to be binding and enforceable in the courts in the same manner.

Your committee believes that this amendment is highly desirable for the satisfactory operation of the law.

The four divisions of the National Adjustment Board are to be independent of one another. Each division is to adjust the disputes and grievances of a certain group of crafts, as specified in the bill. It may be subdivided to take testimony, but the entire division makes the decision. Thus, there will in effect be 18 boards for the taking of testimony and 4 to make decisions.

Each division will be composed of an equal number of representatives of the railroads and employees respectively, and each will compensate its representatives. In case of a deadlock, the members of the division may select a neutral member. If they cannot agree, then the National Mediation Board will select the neutral member, and he will be paid by the Government.

The bill also provides for the establishment of regional or system boards of adjustment, if the railroads and the employees desire to set up such boards voluntarily. The ideal situation would be to have disputes and grievances settled by the men and management on the several properties without any recourse to adjudication by an outside tribunal. Some of those advocating this legislation believe the fact that there is a compulsory board to which grievances may be taken will greatly increase the settlement of disputes by voluntary adjustment boards between the employees and the railroads.

Another extremely important change from the present law which this bill provides is that it prohibits any carrier from providing financial assistance to any union of employees from funds of the carrier. It also prohibits the railroads from interfering in any manner whatsoever with employees joining or refusing to join any organization or union. The bill specifically provides that the choice of representatives of any craft shall be determined by a majority of the employees voting on the question.

This prohibition is not new. Congress has declared it three times; in the present Railway Labor Act, the Bankruptcy Act and the Emergency Transportation Act. But there are no penalties against its violation. This bill provides severe penalties for violation of the law.

Section 4 of this bill abolishes the present Board of Mediation, consisting of 5 members, and establishes a new board called the "National Mediation Board", consisting of 3 members.

BOARD TO SETTLE DISPUTES BETWEEN CARRIERS AND EMPLOYEES 3

The present board has many important accomplishments to its credit. It has had many difficult tasks to perform. Its powers are wholly persuasive. The fact that under this bill the National Adjustment Board will deal with many grievances now brought before the Board of Mediation, makes it unnecessary that the new Board shall have such a large membership.

This new and smaller Board will have power to select and appoint employees to act as mediators under the instruction of the Board with the same freedom to delegate its work as the Interstate Commerce Commission now possesses. This board will appoint the neutral members when necessary to obtain decisions of the National Board of Adjustment and is also authorized to set up a neutral committee to determine what employees shall vote in the elections to determine the representative in any grievance.

This determination of what employees shall be allowed to vote is one of the most controversial subjects in the settlement of disputes. Your committee amended the bill so that if the Mediation Board found it might arouse antipathy on the part of the carriers or the employees in deciding questions of this kind, it could create a neutral committee to do that work, so its own usefulness of settling disputes that might arise thereafter might not be impaired.